

# looking ahead

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## NPA Poll

### Maintaining Deterrent Strength While Seeking Progressive Application of Enforceable Arms Control

A NUCLEAR WAR in the next two decades is possible, but not likely, in the opinion of those participating in the first NPA poll on arms control. Almost three fourths of the members of the NPA Board of Trustees, National Council, and standing Committees who responded to the poll feel that a nuclear holocaust is unlikely, while an additional fifth believe that it is "highly improbable."

Despite the relative certainty that the world will avoid this devastation in the next 20 years, a majority of those answering the poll feel that mutual fear of losses is not sufficient to insure that nuclear weapons of mass destruction will not be used in the case of all-out war. They believe that the United States, while "maintaining deterrent military strength," should seek "progressive application of agreed and enforceable arms control measures."

These are the major conclusions that can be drawn from the survey, which was answered by 42 percent of the 944 persons receiving questionnaires. Of the 396 who answered, 56 persons or 14 percent represented agriculture; 175 or 44 percent, business; 48 or 12 percent, labor; and 117 or 30 percent, the professions.

Within the general conclusions, there is some variation, generally slight, between leaders in the four different fields. For example, business people tend to be slightly more dubious of the value of the United Nations in disarmament control and inspection than labor or agricultural leaders. Members of the professions stand between the two extremes.

It should be kept in mind that the poll was completed before the U-2 incident and the subsequent collapse of the summit meeting. One respondent may have had a premonition of such an event—he reserved the right "to think differently tomorrow."

Following are the eight questions asked, and the answers in percentages for each of the four groups and for total respondents.

#### Probability of Nuclear War

On the first question, concerning the probability of a nuclear war during the next 20 years, the majority—72 percent—feel that such an event is possible, but not likely,

#### 20th Century Economic Aid No Strings Attached

• "... The task of strengthening the economic cohesion of the free world transcends ideas such as economic imperialism. This is the great difference between nineteenth century and twentieth century economic structures. In the case where the advanced nations of this age help promote the economic growth of less-advanced nations, the help they extend has no political strings attached to it; in other words, it is not the case of capitalistic imperialism. The advanced nations help the less-advanced nations to become independent and responsible members of the world economic community, capable of having equal interdependent relations with other nations.

"For example, the nature of American economic aid for the under-developed regions is derived from the idea of international co-operation based on the law of interdependency among the nations. To have deep understanding of the idea of international cooperation and to actually extend practical help to other nations is very important; especially in the case of the nations which recently proclaimed their independence, it is very necessary to extend help to them since their economic independence is regarded as an important condition for their political independence. However, the law of interdependency between nations is by no means a new idea; reciprocal trade agreements were established on the above idea. If there is anything new in this idea, it is the fact that the idea was diversified and expanded onto an international level."

English translation of "Comments" by Hisanori Munakata on Foreign Economic Policy for the Twentieth Century, *Special Studies Project Report III, of the Rockefeller Brothers Fund, Japanese translation, September 1, 1959.*



with an additional 20 percent believing it "highly improbable." Only 6 percent considered all-out war likely within this time span. All groups felt the same on this question.

In comments appended to the questions, several respondents noted that one of the factors which could contribute to an all-out war is human failure in communication. Another adds that while it is unlikely that heads of large nations would risk war today, "passions, psychopathic persons and faulty IBM machines can start nuclear reactions unintended."

1. Do you believe that an all-out nuclear war during the next 20 years is:

	Ag.	Bus.	Labor	Pro.	All
Likely	2%	6%	13%	7%	6%
Possible but not likely	73	70	71	75	72
Highly improbable	21	22	17	17	20
No opinion	—	1	—	—	.5

## Nuclear Weapons' Use

On the question of the use of nuclear weapons of mass destruction, however, opinion is more closely divided. Although 41 percent believe that mutual fear of losses would effectively prevent governments from resorting to these weapons, 55 percent felt that it would not. In this question, too, the four groups followed substantially identical patterns in their answers.

Several felt that the question was too black-and-white; they suggested that a middle-ground answer would be of value. Another qualified his answer by stating that fear of losses was sufficient to make the use of nuclear weapons unlikely, but not sufficient to insure against their use.

Here, again, the comments show the prevalence of fear that an accident resulting from a human error might start a push-button war. A score of replies mentioned this possibility. One business leader pointed out that fear of mutual losses would deter use of nuclear weapons only if each side has approximately equal offensive strength.

2. Do you believe that mutual fear of losses is sufficient to insure that nuclear weapons of mass destruction will not be used on either side?

	Ag.	Bus.	Labor	Pro.	All
Yes	41%	44%	40%	37%	41%
No	57	52	54	60	55
No opinion	—	3	2	2	2

## Best U. S. Action

In selecting the best course—that which promises the greatest degree of security—for the United States to follow at present, the pattern of replies begins to alter with respect to the various categories of leaders. The overwhelming choice of all groups, however, is "maintenance of deterrent military strength while seeking progressive application of agreed and enforceable arms control measures." Fifty-six

percent chose this course. A larger proportion of business leaders tend to a firmer approach to the problem than do those in the other groups; almost a fifth back "unrelenting pursuit of military superiority," with no mention of attempts to control disarmament. In contrast, only 4 percent of agricultural leaders back this course.

Many respondents pointed out that the value of negotiations on disarmament and the cessation of nuclear weapons tests are lessened because Red China is not a party to them. Others commented that while "deterrent military strength" would seem to be a good idea, the United States doesn't have it at the present time. One person felt the answers supplied on the questionnaire missed the boat entirely—he suggested the most promising course was a "concentrated effort to elevate living standards in less developed countries," a plea that was echoed in comments on several other questions.

3. Which of the following courses do you believe offers the greatest promise of security at this juncture of world affairs?

	Ag.	Bus.	Labor	Pro.	All
Unrelenting pursuit of military superiority	4%	18%	6%	10%	12%
Maintenance of deterrent military strength while seeking progressive application of agreed and enforceable arms control measures	55	55	52	59	56
Maintenance of military strength while seeking an international treaty for controlled total disarmament	32	15	40	17	21
Exemplary unilateral steps to disarmament while seeking an international treaty for controlled disarmament	5	3	23	8	7

Would you include a strong civil defense as part of a military program?

	Ag.	Bus.	Labor	Pro.	All
Yes	4	12	1	8	8
No	2	2	—	2	2

## Role of UN

What role should the United Nations play in arms control and international inspection? The overwhelming majority—75 percent—feel that the machinery should be managed by the United Nations. But on the question of a strong police force to enforce disarmament, the percentage of UN backers dropped to 59 percent. A larger percentage of agriculture and labor leaders favor participation by the United Nations than do business people, who tend to rely more on national defense efforts. The professional group again occupies a middle ground.

Many respondents indicated they thought bringing the United Nations into the arms control picture was ideal—but not practical. One commented it was useless since the international organization is full of "political bargain hunters." Another said the UN definitely should not be in charge of inspection and arms control, because "the United States 'has not been too successful in matching other nations' intrigue."

4. What new role, if any, should the UN play in arms control?  
International inspection and control machinery should be managed by the UN

	Ag.	Bus.	Labor	Pro.	All
Yes	82%	69%	85%	75%	75%
No	9	17	8	10	13
No opinion	5	9	2	7	7
A UN police force of substantial size should be created to enforce disarmament					
Yes	68%	51%	77%	61%	59%
No	14	26	4	14	18
No opinion	9	11	4	9	9

## Mutual Inspection

International inspection of military installations and other facilities met with a fairly enthusiastic reception. Only 7 percent of the entire group opposed having foreign inspectors in this country, while 83 percent would be willing to have Russian and international inspectors maintain regularly spaced inspection stations in the United States. Other specific inspection proposals—involving search for undeclared installations, inspecting test grounds and launching sites, taking aerial photographs, checking troop movements and other military operations—also received majority backing.

It is interesting to note, however, that as inspection proposals touch more closely on the lives of the citizens of a nation, fewer respondents are in favor of them. For example, only 39 percent would back the inspection of factories and research laboratories, including those privately owned. And only 28 percent approve of allowing checks to be made on highway, air and rail freight, and passenger movements.

5. The United States has insisted that arms control agreement must include an inspection system which would make it possible to insure that all parties are living up to their agreement. The Russians have tended to resist the creation of a system of international inspection which would involve free movement of inspectors inside the Soviet borders.

Would you favor an arms control agreement which would provide for international inspectors (including Russians and Americans) to be stationed both in the U.S.S.R. and in the United States with freedom to: (Check all those you would approve for control in both countries)

	Ag.	Bus.	Labor	Pro.	All
Maintain inspection stations with radar, seismographs and other scientific instruments at regularly spaced intervals	84%	77%	88%	91%	83%
Search for undeclared installations of all types subject to control	61	61	75	69	65
Inspect nuclear testing grounds and missile launching sites	73	69	79	76	73
Make overflights and take aerial photographs	50	56	58	71	60
Check troop movements, sea and air operations	55	51	60	61	56
Inspect factories and research laboratories, including those privately owned	39	35	54	38	39

Check highway, air and rail freight and passenger movements

27 27 33 27 28

I would be against having international inspectors in this country

2 10 2 5 7

## Russian Motives

One respondent commented that the question of international inspection was just wishful thinking since the Russians have refused for 15 years to accept inspectors. When asked why the Russians refuse, the respondents generally agreed that military secrecy was a considerable asset to the U.S.S.R.; they also felt Soviet leaders feared that sizable groups operating within their country would weaken their political control. To a lesser extent, the group believes this reluctance to allow inspection stems from an historic fear of foreign intrusions. A minority suspect the Soviets of hoping to advance militarily while the West observes a disarmament treaty.

One of those polled feels that U. S. action on disarmament treaties is handicapped by "our constant propaganda barrage against Communism," which he finds a deterrent to coexistence on peaceful grounds. Suspicion produced by such propaganda, he insists, is maintained by "careless utterances of government officials, senators and representatives."

6. While the Soviets urge declaratory treaties of disarmament, they have shown reluctance to permit extensive inspection. Why do they resist this inspection? Several conclusions are possible. Please check all the observations you think are pertinent.

	Ag.	Bus.	Labor	Pro.	All
The Soviets have a considerable asset in their military secrecy and they don't want to give it up	54%	62%	54%	62%	60%
The Soviets want to advance militarily while we observe a disarmament treaty	45	44	50	37	43
The Russians have a historical fear of foreign intrusion in their homeland	57	55	42	57	54
The Soviet leadership fears that the presence and free movement of a sizable group in their country would weaken their political control of the people	55	61	63	58	59

## Disarmament Treaty

Considering Soviet reluctance to allow inspection teams within their vast nation, what steps should the United States take? Should we insist on a treaty insuring 100 percent compliance or settle for one with a lesser degree of assurance? Or should we depend on good faith alone and agree to substantial disarmament without effective controls and inspection?

The number of respondents who feel the United States should sign on the dotted line on the basis of good faith

alone is negligible. The prevailing opinion is that the United States should realize that no treaty will provide 100 percent compliance and "should proceed with compromise systems so long as they offer a high degree of compliance." The "perfect system" advocates number only one of every four respondents.

7. There are several possible responses to this Soviet objection to inspection teams operating in Russia. Check one of the following:

	Ag.	Bus.	Labor	Pro.	All
We should sign no treaty which does not carry 100% assurance of compliance	21%	33%	35%	20%	28%
We should realize that no treaty will provide 100% assurance of compliance and we should proceed with compromise systems so long as they offer a high degree of compliance	66	58	52	69	62
We should sign any treaty in which the parties agree to substantial disarmament, relying upon "good faith" for the enforcement	2	.6	4	.9	1
No opinion	—	1	—	2	1

## Halt to H-Tests

On the final question—whether the United States has more to gain or more to lose by a fully enforced international cessation of nuclear weapons tests—all four groups are in virtual agreement that this country has more to gain. A total of 73 percent hold this opinion, with the largest variance from the mean a negligible 4 percent in the professional group. However, this question polled the largest number of "no opinions"—7 percent.

8. Do you think we as a nation have more to lose or more to gain by a fully enforced international cessation of nuclear weapons tests?

	Ag.	Bus.	Labor	Pro.	All
More to lose	11%	14%	10%	14%	13%
More to gain	77	73	75	72	73
No opinion	2	9	6	6	7

## Detail Views

Many respondents amplified their views in separate comments. While the number of those specifically mentioning any concrete alternatives to maintaining a large military establishment was small, the call for serious and urgent consideration of an end to the nuclear arms race was persistent. Several cited the "sheer idiocy" of continuing the competition, pointing out that the "danger of increased radioactive fallout and the spread of nuclear weapons to minor powers make it imperative that we reach some sort of disarmament agreement."

As one member of the professional group pointed out, each side to all practical purposes is checkmating the other, but "neither will yield until either one or the other becomes dominant politically, by social and economic penetration

of uncommitted areas." He calls not only for "stronger articulation in the realm of ideology" but for "a sense of mission." In the words of another respondent, the United States should lead the world "into a positive plan for turning our swords into pruning hooks and plough shares."

On the other hand, one respondent pointed out that the United States has never gained by previous disarmament efforts—in this respect he believes U. S. citizens have been the world's greatest "patsies." Several others asserted that the dangers of seeking nuclear disarmament without conventional disarmament were far greater than continuation of the arms race; it would expose the Free World to the overwhelming numerical superiority of the Red armies.

## Educational TV for Puerto Rico

An educational television project under UNESCO sponsorship has been initiated in San Juan, Puerto Rico. The project, a series of half-hour television programs, will touch on the problems facing rural workers who come to San Juan to find jobs. Through organized listening and discussion groups, Jack Delano, Assistant Program Manager of WIPR-TV in San Juan, will monitor the effects of these programs and reports on the reactions of viewers, particularly in regard to any change of attitude to their problems of daily living.

This will be the first such project carried out in direct cooperation with a U. S. television station—WIRP. Similar projects have revealed this media to be a useful tool in adult education in Japan and France where farm groups were taught new farming methods through television programs followed by discussion groups.

In announcing the project, Mr. Delano said that Puerto Rico had been chosen in order to gain the experience of using educational television techniques in a Spanish-speaking country of the Western Hemisphere. It is hoped that the knowledge gained from the experimental series in San Juan will be applicable to similar television ventures in adult education in Latin America.

## Conferences for Corporation Executives

The 1960-61 series of Conferences for Corporation Executives, sponsored by the School of Advanced International Studies, Johns Hopkins University, will cover recent changes and developments and their impact on U. S. commercial and financial interests in four major world areas: Africa (south of the Sahara), Great Britain and Western Europe, Latin America, and the Far East. These Conferences, organized in 1946, are designed specifically to meet the requirements of the executive with international interests and to keep him abreast of the executive development needs of the foreign trade and investment community. (Conferences for Corporation Executives, 1906 Florida Avenue, N. W., Washington 9, D. C.)



## Social Change and Crime in Less Developed Nations

Generally, poor economic conditions in many of the less developed countries, often characterized by absolute poverty and a difficult employment situation, tend to break down social institutions and lead to inequality, maladjustment, and crime, notes a recent UN report.

The report, *Prevention of Types of Criminality Resulting from Social Changes and Accompanying Economic Development in Less Developed Countries*, has been prepared for the Second United Nations Congress on the Prevention of Crime and the Treatment of Offenders to be held in London this August. The report was written by J. J. Panakal of Bombay who focuses attention on social change and crime in developing Asian nations and Ahmad M. Khalifa of Cairo who surveys the study problem in the Arab states and Africa.

In reviewing existing criminal statistics, Mr. Panakal states, "one has the impression that crime has been on the increase in the last few years in Asia." For example, in Hong Kong between 1953-54 and 1954-55 there was an increase in crime of about 5 percent; in Bangkok the increase between 1948 and 1957 was about 230 percent (for the whole of Thailand the increase was only about 92 percent); and in the Republic of Korea between 1956 and 1957 the increase was about 29 percent, however juvenile crime increased about 42 percent.

Industrialization, it is noted, has a more pronounced effect on juvenile than adult crime; although, in its acute form, juvenile crime is confined to the cities and to some of the larger towns which suffered from economic distress. Mr. Khalifa points out that one cause of this increased crime and delinquency in newly industrialized countries is the fact that persons coming to the urban centers must comply with a system of laws and regulations which, although officially the only recognized one, was seldom accepted as an "intrinsic part of rural cultures."

Mr. Panakal states that effective preventative measures may be taken to combat crime and delinquency through "controlled urbanization." This would mean, among other things, that population movement to the urban areas would be restricted and controlled, the massing together of population prevented, and personal and social disorganization caused by maladjustment checked. He also notes that the emergence of crime in these urban areas can be attributed to the failure of the education system to fit the needs of the students; the low quality of literature and entertainment in urban areas; administrative failures such as "scandal among high officials" and inadequate police protection; and legal shortcomings such as loopholes in legislation.

Mr. Khalifa, however, points out that it is the disruption of the traditional family system and the consequent weakening of family authority and control over individual members that contribute to the heavy incidence of crime and delinquency in towns and cities of recent growth.

(*Prevention of Types of Criminality Resulting from Social Change and Accompanying Economic Development in Less Developed Countries*, United Nations, New York: 1960, 94 pp.)

## -The People of NPA-

Robert  
A.  
Whitney



Top management consultant, Robert A. Whitney, is a member of NPA's International Committee. President of Marketing Audits Institute since 1957, Mr. Whitney is well-known for his work in business education as well as his work in the field of management. Recognizing the need for graduate business training, Mr. Whitney founded and for five years was chancellor of the Graduate School of Sales Management and Marketing now at Syracuse University. He also served as a member of the advisory committee of the Graduate School of Business Administration of New York University's School of Commerce and Finance, and as a trustee of his alma mater, Hobart College, Geneva, New York.

Upon graduation from Hobart in 1935, Mr. Whitney became a representative to Wilson and Company in Stamford, Connecticut. In 1937 he was a statistician for Francis I. DuPont. From 1940-1943 he was the sales promotion and advertising manager for the Corning Glass Works.

During World War II he served as a chief in the Controlled Materials Plan Division of the War Production Board, as special consultant to the director of the Reconstruction Finance Corporation, as advisor to the War Assets Administration, and as consultant to the Office of War Mobilization and Reconversion.

Mr. Whitney was also promotion director of McGraw-Hill Publishing Company, director of the Encyclopaedia Britannica Press, and president and executive director of the National Sales Executive, Inc.

He is presently a member of the Industry Advisory Council of the Secretary of the Treasury and of the National Distribution Council of the Secretary of Commerce. As a member of the Board of Directors of the Effective Citizens Organization he seeks to interest business leaders in political activities. He also served as chairman of arrangements of the President's White House Conference and on the Distribution Committee of the International Chamber of Commerce. In 1953, he was elected to the "Hall of Fame of Distribution."

# Savings Account Owners

## *their characteristics and habits*

OWNERSHIP of multiple savings accounts is considerably more frequent among higher income families, among larger families, among families where the wage earner is between the ages of 35 and 60, and among those families which have larger total amounts in savings deposits, notes an interim report of the Consumer Savings Project.\* This project, conducted under the auspices of the Inter-University Committee for Research on Consumer Behavior with the aid of a Ford Foundation grant, presents in its most recent report findings on savings account owners in three cities: Chicago, St. Louis, and Indianapolis.

The data forming the basis of the report were obtained from statistical probability samples ranging in size from about 120 savings units\*\* in Chicago to over 300 in Indianapolis. These samples are somewhat atypical of the populations studied because they were selected with more than proportionate representation from upper-income groups. However, adjustment for this bias is made in the data presented in the report. Consequently, the findings of the report should be interpreted as indicative of general relationships, not as precise estimates.

Special attention is given to defining the characteristics of the savings groups, such as the prevalence of multiple savings accounts among particular population groups and the relationship between the maintenance of savings accounts and the ownership of other selected assets.

There is a pronounced tendency for people with multiple accounts to patronize more than one savings institution, notes the report. Thus more than two thirds of the savings units who own two different savings accounts kept accounts in different institutions; while over one half of those units owning three accounts patronized three different institutions. Among those savings units having four or more accounts, one half patronize three, four, or more institutions; only about one fifth of this group maintain all accounts in one institution. Of the units having three accounts, only one fourth maintain all accounts in the same institution.

Characteristics distinguishing users of multiple institutions from users of a single institution are surprisingly few. Differences by income, education, family size, and age of main wage earner appear to be relatively slight although there is some tendency for higher income savings units to patronize more institutions than lower income families with the same number of accounts. This tendency is not nearly so pronounced as in the case of the number of accounts held.

While 43 percent of the units having only one savings account maintained that account at the same institution in

which they had a checking account, 16 percent of the savings units having two accounts kept both in the same institution, and only 3 percent of the units having three or more accounts maintained them in their checking account institution. At the same time it is noted that 36 percent of the people having three or more savings accounts kept at least one of them in the institution where they had a checking account.

A major reason for selecting a particular savings institution seems to be convenience. In St. Louis, for example, 64 percent of the people selects the institution because of a convenient location; 33 percent for interest rate; 23 percent for safety; 16 percent because it is the same institution in which they maintain a checking account; 9 percent for good service; 7 percent because a friend or relative works there; 5 percent because of a suggestion by a friend or relative; 2 percent because the institution owns saver's mortgage; and 19 percent for other reasons. It is evident from these figures that most persons take more than one factor into consideration. Although safety seemed to be an important factor in at least one fourth of the cases, actually, it seemed from remarks made by the answering units that there was little fear of the loss of principal, states the report.

In maintaining a savings account at the same bank in which a checking account is held convenience seems to outweigh the possible higher rate of interest that might be obtained by depositing savings in more distant institutions. Some remarked that their savings were so low that a difference of up to one percentage point in the interest rate was hardly likely to have much effect on their assets.

In investigating other assets held by savings account owners, it was found that checking accounts, life insurance, and real estate were the most owned assets of this group. This was particularly true in the higher income group—\$10,000 a year and over—which in Indianapolis, for example, 92 percent owned checking accounts, and 97 percent owned insurance and real estate.

About the only asset whose frequency did not rise with income level was pension plans; ownership of this asset actually declined somewhat as income rose. In Indianapolis, in the income group of \$5,000 and under, 50 percent of the account owners owned pension plans and in the \$5,000 to \$9,900 group 54 percent of the account owners owned pension plans. However, in the \$10,000 and over group, only 43 percent of the account owners had pension plans. This, states the report, is undoubtedly due to the wide prevalence of pension plans among wage earners coupled with the much higher proportion of high income people in the sample having their own business.

(An Interim Report from the Consumer Savings Project, "Savings Account Owners in Three Cities," Inter-University Committee for Research on Consumer Behavior, 23 pp., mimeographed.)

\* The initial report of the project which investigated the reasons for consumer saving was reviewed in the February 1959 issue of *Looking Ahead*.

\*\* A savings unit is defined as one or more related persons living in the same dwelling unit pooling half or more of their income and savings. Thus one dwelling could contain more than one savings unit.

## International Flow of Private Capital, 1958-1959

The outflow of new long-term capital investments from the United States in 1959 fell below the 1958 level, but capital exports of some Western European countries, the Federal Republic of Germany in particular, kept rising.

This trend is indicated by preliminary data for 1959 presented in a UN interim report on the international flow of private capital 1958-59. The report adds that private capital continued to be invested abroad at a high rate in the two-year period, though less than during 1956-57.

The report brings up to date and amplifies the statistical material contained in *The International Flow of Private Capital, 1956-1957*, published last year. The report was prepared in conjunction with a UN General Assembly resolution in 1957 calling for a major report every three years and interim reports in the intervening years.

In 1958, the report states, foreign private long-term investments by the main capital-supplying countries—including reinvested profits in most instances—totaled \$5.3 billion, compared with \$6.2 billion in 1957, and \$5.8 billion in 1956, and only \$3.8 billion in 1955. Thus, total long-term private investments in the recession year 1958 were some \$1.5 billion higher than in the boom year 1955, the report concludes.

The main events which affected international capital movements in 1958-59, particularly the short-lived but sharp recession in the U. S. economy and the strong performance of the Western European economy, resulted in a slowing down in the growth of international direct investment. A stimulus to U. S. foreign portfolio investment and a marked revival in the flow of short-term capital between Western Europe and the United States also followed, the report shows.

The outflow of private long-term funds from the United States declined by about \$400 million in 1958 and by a further \$500 million in 1959. United Kingdom foreign private investments also fell between 1957 and 1958, by just under £100 million. However, the private long-term capital exports of the continental Western European countries amounted to \$1.2 billion in 1958, the same as in 1957, states the report.

During the period covered by the report, both intra-European investment and U. S. investment within the Common Market group grew rapidly. However, the report points out that total U. S. investment in the United Kingdom is still larger than in all the Common Market countries put together, and is growing almost as fast.

Private investments in the small group of high-income, rapidly developing countries such as Canada and Australia continued at a high level in 1958-59, the report notes. As to the underdeveloped countries, Latin America was the area to receive by far the largest amount of foreign private investment as in earlier years, notwithstanding the non-recurrence of exceptional petroleum investments in Venezuela. An increase in the net capital imports of the Middle East and Africa, mainly on account of a higher level

of investment in the mining and petroleum industries, is also noted.

International portfolio investments showed a considerable increase during the latter part of 1958 and even more markedly during 1959. European investors were net buyers of large amounts of U. S. corporate stock; and U. S. private institutional investors also developed a growing interest in U.K. and continental Western European securities.

Credits extended to various foreign governments or foreign public agencies by U. S. and private European banks—sometimes in association with the International Bank for Reconstruction and Development and Export-Import Bank loans—played a significant role during the period, the report states. Massive export credits were extended to Latin America and other countries by North American, European, and Japanese sources to finance the importation of machinery, equipment, and other producer goods.

Many governments of capital-receiving countries adopted or expanded measures for the encouragement of private investment, ranging from foreign exchange privileges to tax and other concessions and the simplifications of procedures for the establishment and operation of foreign-owned enterprises.

(*The International Flow of Private Capital, 1958-1959*, United Nations, New York: 1960, mimeographed, 105 pp.)

## Civil Defense — A Comparison

In order to illustrate the low priority given to nonmilitary defense measures in the United States, William Chipman, lecturer and law fellow at the University of Wisconsin, cites the ratio of military to nonmilitary defense expenditures in Western Europe to expenditures in the United States. His comments are reported in the proceedings of the Non-Military Defense Conference held last October and have been recently released by Wisconsin University's National Security Studies Group, initiators of the Conference.

In the United States, the ratio of military to nonmilitary defense expenditures between 1951 and 1958 averaged .14 percent. This figure is lower than the expenditures in any Western European country except for France; and the Scandinavian countries spent as much as 2.0 to 3.0 percent of their respective military budgets for civil defense—20 times the American ratio. This, however, does not indicate that all Western European countries possess a high degree of non-military defense, but it does show, Mr. Chipman states, that "decisions have been taken at executive levels in many countries to embark upon serious programs for population protection."

The proportion of the population actively participating in civil defense programs in Western Europe is also impressive, he notes. In Great Britain, for example, during 1958 a total of 704,296 persons—some 1.4 percent of the population—was trained in organized civil defense forces. By comparison, approximately 2 percent of the U. S. population participated in civil defense type training over a

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six and one half year period, 1951-57. This 2 percent figure assumes no duplication in participation.

In Denmark, about 2.3 percent of the population is trained and organized, and in Norway nearly 10 percent is trained and organized into civil defense forces. In Switzerland, it is planned that about 15 percent of the population is to be organized into forces. Mr. Chipman notes, however, that compulsory service is a feature of many Western European programs where recruitment of volunteers has proved inadequate.

The Soviet program of civil defense is also intensive, and arguments to the effect that our undertaking programs of nonmilitary defense would be regarded as "provocative or unfriendly acts by the Russians therefore have no validity," Mr. Chipman states. In Russia, the adult population has been required to complete courses in civil defense against modern weapons with courses of ten-hour duration in 1955-56 and of 22 hours in 1956-59. It would appear

therefore that upward of 100 million people in the Soviet Union have completed at least the first course.

(*Non-Military Defense, Wisconsin—A Case Study*, Proceedings of a Conference at The Wisconsin Center, University of Wisconsin, edited by William K. Chipman, National Security Studies Group, University of Wisconsin, Madison: 1960, mimeographed.)

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